

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

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| In the Matter of                               | ) |                      |
|  | ) |                      |
| Jurisdictional Separations and Referral to the | ) | CC Docket No. 80-286 |
| Federal-State Joint Board                      | ) |                      |

**COMMENTS OF TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.**

Texas Statewide Telephone Cooperative, Inc. (TSTCI) offers these comments in response to the Notice of Proposed Rulemaking (NPRM)<sup>1</sup> proposing to extend until June 30, 2012, the current freeze of jurisdictional separations category relationships and cost allocation factors in Part 36 of the Commission's rules. TSTCI is an association representing 39 small, rural incumbent telephone companies and cooperatives in Texas (see Attachment 1). All TSTCI member companies are under rate-of-return (RoR) regulation and comply with the Part 36 jurisdictional separations process for developing their interstate revenue requirement.

In 2009 and 2010 TSTCI filed comments supporting each of the Commission's previous proposals for extensions of this freeze.<sup>2</sup> TSTCI again supports extending the freeze, and encourages the Commission to consider June 30, 2012 as the minimum amount of time for the extension. Failure to extend the freeze would create significant hardship upon small RoR companies who would be required, as noted in the NPRM, to reinstitute separations processes that have not been in place for almost ten years.<sup>3</sup> To establish pre-freeze processes will be costly and disruptive to the small rate-of-return companies in terms of training personnel to implement

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<sup>1</sup> *Jurisdictional Separations and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Notice of Proposed Rulemaking, Released March 1, 2011 (NPRM).

<sup>2</sup> *Jurisdictional Separations and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Notice of Proposed Rulemaking, 24 FCC Rcd 4227 (2009) and 25 FCC Rcd 6046 (2010) See Comments of Texas Statewide Telephone Cooperative, Inc. (TSTCI Comments) filed April 17, 2009 and April 19, 2010.

<sup>3</sup> NPRM, par. 11.

these processes and obtaining necessary software which these companies and their cost consultants currently lack. Compounding these problems is the extremely short time frame required to implement these processes if the freeze expires on June 30, 2011.

The NPRM describes how the Federal-State Joint Board on Jurisdictional Separations (Joint Board) has been working diligently toward a recommended decision for comprehensive reform of the jurisdictional separations process, yet it is doubtful that the Commission could implement any reform by the freeze expiration date. Furthermore, the NPRM notes that the Commission's proceeding on universal service and intercarrier compensation reform that is currently underway could affect the Joint Board's recommendation.<sup>4</sup> TSTCI believes that failure to extend the freeze, thus requiring implementation of the pre-freeze processes that will likely change again, is a waste of time and resources for small companies - something they can ill afford. TSTCI strongly encourages the Commission to extend the jurisdictional separations freeze until, at the very least, June 30, 2012. In fact, considering the high-cost universal service fund and intercarrier compensation reform proceeding currently under way,<sup>5</sup> as well as the still – anticipated recommendations regarding separations reform from the Joint Board, TSTCI is not opposed to a longer extension of the freeze. TSTCI respectfully suggests that instead of a date certain for extension of the freeze, the Commission consider extending the jurisdictional separations freeze until a maximum of one year from the date of the issuance of Commission orders reforming the current high-cost USF support rules and ICC rules. Because the high-cost USF rules, ICC rules and jurisdictional separations reform are inextricably related, this approach was recommended previously in joint comments filed by several associations representing the

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<sup>4</sup> NPRM, par. 11.

<sup>5</sup> Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; FCC 11-13; Released February 9, 2011.

interests of ILECs.<sup>6</sup> As in the past, TSTCI concurs with this recommendation. One advantage is that the industry will have time to adapt separations policies and procedures to the newly-established ICC and USF reform initiatives. Also, refraining from a date certain, but extending the freeze a maximum period of one year following issuance of Commission orders will avoid an additional proceeding regarding further extension of the freeze if the order(s) are delayed.

Regardless of whether there is an extension of the freeze to a date certain or not, TSTCI strongly encourages the Commission not to allow the separations freeze to expire on June 30, 2011. As previously stated, many small companies lack the software and trained employees who would have the expertise to implement the pre-freeze cost allocation process in such a short time frame. It is unlikely these processes and the personnel dedicated to these tasks have been maintained since the freeze was instituted in 2001. Besides the expense burdens associated with training and software, there would also be considerable expense involved for those small RoR cost companies who rely on cost study consultants to perform the cost study functions. TSTCI reiterates that it would be an egregious waste of time, money, and resources to revert to out-dated pre-freeze separations processes that will likely change again when universal service, intercarrier compensation, and separations reform issues are resolved.

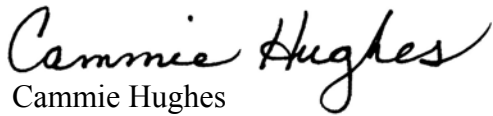
Additionally, TSTCI supports allowing RoR carriers who elected to freeze category relationships in 2001 an opportunity to update those factors. Significant changes in investment and service demand may have occurred for some companies, and these companies should be able to calculate current interstate revenue requirements based on current data, rather than allocations reflecting network investment environments almost a decade ago.

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<sup>6</sup> See Comments of the National Exchange Carrier Association, Inc., National Telecommunications Cooperative Association, Organization for the Promotion and Advancement of Small Telecommunications Companies, Eastern Rural Telecom Association, Western Telecommunications Alliance, *In the Matter of Jurisdictional Separations and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, filed April 17, 2009, p. 6; and filed April 19, 2010, page 3.

TSTCI supports the Commission's proposed extension of the current separations freeze beyond June 30, 2011, and appreciates the opportunity to provide comments regarding an issue of considerable importance to its member companies.

Respectfully submitted,

A handwritten signature in black ink that reads "Cammie Hughes". The signature is written in a cursive, flowing style.

Cammie Hughes  
Authorized Representative  
Texas Statewide Telephone Cooperative, Inc.  
March 28, 2011

**TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.**

Alenco Communications, Inc.  
Big Bend Telephone Company, Inc.  
Brazoria Telephone Company  
Brazos Telecommunications, Inc.  
Brazos Telephone Cooperative, Inc.  
Cameron Telephone Company  
Cap Rock Telephone Cooperative, Inc.  
Central Texas Telephone Cooperative, Inc.  
Coleman County Telephone Cooperative, Inc.  
Colorado Valley Telephone Cooperative, Inc.  
Community Telephone Company, Inc.  
Cumby Telephone Cooperative, Inc.  
Dell Telephone Cooperative, Inc.  
E.N.M.R. Telephone Cooperative, Inc.  
Eastex Telephone Cooperative, Inc.  
Electra Telephone Company  
Etex Telephone Cooperative, Inc.  
Five Area Telephone Cooperative, Inc.  
Ganado Telephone Company, Inc.  
Hill Country Telephone Cooperative, Inc.  
Industry Telephone Company, Inc.  
La Ward Telephone Exchange, Inc.  
Lake Livingston Telephone Company  
Lipan Telephone Company, Inc.  
Livingston Telephone Company  
Mid-Plains Rural Telephone Cooperative, Inc.  
Nortex Communications, Inc.  
Panhandle Telephone Cooperative, Inc.  
Peoples Telephone Cooperative, Inc.  
Poka Lambro Telephone Cooperative, Inc.  
Riviera Telephone Company, Inc.  
Santa Rosa Telephone Cooperative, Inc.  
South Plains Telephone Cooperative, Inc.  
Tatum Telephone Company  
Taylor Telephone Cooperative, Inc.  
Wes-Tex Telephone Cooperative, Inc.  
West Plains Telecommunications, Inc.  
West Texas Rural Tel. Cooperative, Inc.  
XIT Rural Telephone Cooperative, Inc.